

GOVERNMENT OF TELANGANA
ABSTRACT

Irrigation & CAD Department – Telangana State Water Resources Infrastructure Development Corporation Limited – Borrowing Term Loan of Rs.1,700.00 Cr from Andhra bank as its share in the consortium of Nationalized commercial banks out of Rs.17,000.00 Cr for implementation of Sita Rama Lift irrigation Project (SRLIP), J.C.R Devadula Lift Irrigation Scheme(JCRDLIS) - Kanthanapally Project, Flood Flow Canal project (FFC) - Permission accorded – Orders issued.
=====

IRRIGATION AND CAD (Projects-III) DEPARTMENT

G.O.Rt.No.980

Dated:03-08-2018
Read:-

From the Managing Director, TSWRIDC Ltd., Lr.No. MD/TSWRIDCL/HYD/
SPC/5/2018. Dt.21.7.2018.

&&&&

ORDER:-

In the reference read above, the Managing Director, Telangana State Water Resources Infrastructure Development Corporation Limited has stated that the Government, have constituted a Special Purpose Vehicle (SPV) in the name of Telangana State Water Resources Infrastructure Development Corporation Limited to plan, appraise, evaluate, manage , envisage for effective utilization of Godavari Water by way of construction of dams, tunnels, canals, lift systems, reservoirs for its various projects including Sita Rama Lift irrigation Project (SRLIP), J.C.RDevadula Lift Irrigation Scheme (JCRDLIS), Kanthanapally Project, Flood Flow Canal(FFC) projects.

2. Andhra Bank, Specialized Corporate Finance Branch, Somajiguda, Hyderabad has agreed to be the lead bank for sanction of three term loans amounting to Rs.17000.00 Cr under consortium banking arrangement to Telangana State Water Resources Infrastructure Development Corporation Ltd for implementation Sita Rama Lift irrigation Project (SRLIP), J.C.RDevadula Lift Irrigation Scheme (JCRDLIS)- Kanthanapally Project, Flood Flow Canal(FFC) projects, with a total cost of Rs. 24,555.39 Cr. Andhra Bank has sanctioned Rs.1700.00 Crores as its share in the total loan of Rs.17,000.00 Cr. Andhra Bank while enclosing terms and conditions have informed that margin money as detailed below has to be borne by the State Government. They have also requested the Managing Director, Telangana State Water Resources Infrastructure Development Corporation Ltd to give acceptance for the terms and conditions set out.

Rs. In Crs.						
Sl. No.	Name of the Project	Term Loan No.	Total Loan of Andhra bank Consortium	Share of Andhra bank in the Consortium of Banks	Bank Share	Margin to be bourne by the Govt
1	Flood Flow Canal	I	4500	450	82.68%	17.32%
2	Devadula and Tupakulagudem Projects	II	4500	450	68.14%	31.86%
3	Sitarama LIS Project	III	8000	800	63.95%	36.05%
TOTAL			17000	1700		

3. Based on the request of the Andhra Bank, the Managing Director, TSWRIDCL, Hyderabad has requested the Govt., to provide concurrence/approval for the terms and conditions of loan sanctioned for the above and to issue necessary orders on the required documents to be provided by the Govt., in order to execute the loan agreement with the Andhra Bank.

4. Government after careful consideration of the matter, hereby accord permission to the Managing Director, TSWRIDCL to concurrence/approval for the terms and conditions of loan sanctioned to issue necessary orders on the required documents to be provided by the Government, in order to execute the loan agreement with the Andhra Bank.

P.T.O.

5. The Managing Director, TSWRIDCL to pay guarantee commission at 2% consolidated for the entire guarantee as the Guarantee Commission cannot be exempted as per RBI guidelines.
6. The Managing Director, TSWRIDCL shall remit the amount to Government to the following Head of account: "0070 Other Administrative Services – 60 Other Services – MH 800 Other Receipts – SH 08 Commission for guarantee given by Government".
7. The Managing Director, TSWRIDCL shall take necessary action, accordingly.
8. This order issues with the concurrence of Finance (DCM) Department vide their U.O.No.5376/97A1/2018, dt.26.7.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

**Dr. SHAILENDRA KUMAR JOSHI
CHIEF SECRETARY TO GOVERNMENT &
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)
I&CAD DEPARTMENT**

To
The Managing Director, TSWRIDCL, Hyderabad.
The Engineer-in-Chief (Irrigation), Hyderabad
The Accountant General, Hyderabad.
The Director of Treasuries and Accounts, Hyderabad.

Copy to:

The PS to Chief Secretary
The PS to Secretary to Hon'ble CM.
The PS to Minister(Irrigation)
The PS to Spl. Chief Secretary to Government, I&CAD Dept.
The Chief Engineer, JCRDLIS, Warangal
The Chief Engineer, Kanthanapally, Warangal
The Andhra Bank, Hyderabad.
The Finance (DCM) Department.
The General Administration (Cabinet) Department.

// FORWARDED : : BY ORDER //

SECTION OFFICER

(Contd. To ANNEXURE)

ANNEXURE

The terms and conditions are as follows:

Facility	Term loan – I (New)				
Limit	Rs.450.00Crs (Rupees Four Hundred and Fifty Crores Only)				
Purpose	For the purpose of part financing an amount of Rs. 4500.00 Crs as a consortium finance arrangement for Flood Flow Canal project.				
Security	First pari-passu charge by way of Hypothecation of assets created out of term loan along with other member banks in the consortium.				
Margin	17.32% on overall project cost including interest during construction.				
Rate of Interest	1 year MCLR (8.55%) +0.20%+0.50% (TP) i.e., 9.25% p.a. presently with monthly rests.				
SCOD	01.04.2020				
Repayment for Consortium Finance arrangement of Rs.4500.00Crs	To be repaid in 48 quarterly instalments as under				
	FY	No of quarters	Repayment per quarter	Total repayment for year	% of repayment
	2020-21	4	56.25	225.00	5.00%
	2021-22	4	67.50	270.00	6.00%
	2022-23	4	67.50	270.00	6.00%
	2023-24	4	78.75	315.00	7.00%
	2024-25	4	90.00	360.00	8.00%
	2025-26	4	90.00	360.00	8.00%
	2026-27	4	112.50	450.00	10.00%
	2027-28	4	112.50	450.00	10.00%
	2028-29	4	112.50	450.00	10.00%
	2029-30	4	112.50	450.00	10.00%
	2030-31	4	112.50	450.00	10.00%
	2031-32	4	112.50	450.00	10.00%
	Total	48		4,500.00	100.00%
Repayment Schedule for our share of Rs. 450.00 Crs	To be repaid in 48 quarterly instalments as under				
	FY	No of quarters	Repayment per quarter	Total repayment for year	% of repayment
	2020-21	4	5.6250	22.50	5.00%
	2021-22	4	6.7500	27.00	6.00%
	2022-23	4	6.7500	27.00	6.00%
	2023-24	4	7.8750	31.50	7.00%
	2024-25	4	9.0000	36.00	8.00%
	2025-26	4	9.0000	36.00	8.00%
	2026-27	4	11.2500	45.00	10.00%
	2027-28	4	11.2500	45.00	10.00%
	2028-29	4	11.2500	45.00	10.00%
	2029-30	4	11.2500	45.00	10.00%
	2030-31	4	11.2500	45.00	10.00%
	2031-32	4	11.2500	45.00	10.00%
	Total	48		450.00	100.00%
Upfront Fee	0.075% of the Limit plus GST as applicable.				
Prepayment charges	Waived				
Guarantor	Unconditional and irrevocable guarantee of the Govt. of Telangana guaranteeing the repayment of principal and interest.				
Facility	Term loan – II (New)				
Limit	Rs.450.00Crs (Rupees Four Hundred and Fifty Crores Only)				
Purpose	For the purpose of part financing an amount of Rs. 4500.00 Crs as a consortium finance arrangement for Devadula – Tupakulagudem Project				
Security	First pari-passu charge by way of Hypothecation of assets created out of term loan along with other member banks in the consortium.				
Margin	31.86% on overall project cost including interest during construction.				
Rate of Interest	1 year MCLR (8.55%) +0.20%+0.50% (TP) i.e., 9.25% p.a. presently with monthly rests.				
SCOD	01.04.2020				

Repayment for Consortium Finance arrangement of Rs.4500.00Crs	To be repaid in 48 quarterly instalments as under				
	FY	No of quarters	Repayment per quarter	Total repayment for year	% of repayment
	2020-21	4	56.25	225.00	5.00%
	2021-22	4	67.50	270.00	6.00%
	2022-23	4	67.50	270.00	6.00%
	2023-24	4	78.75	315.00	7.00%
	2024-25	4	90.00	360.00	8.00%
	2025-26	4	90.00	360.00	8.00%
	2026-27	4	112.50	450.00	10.00%
	2027-28	4	112.50	450.00	10.00%
	2028-29	4	112.50	450.00	10.00%
	2029-30	4	112.50	450.00	10.00%
	2030-31	4	112.50	450.00	10.00%
	2031-32	4	112.50	450.00	10.00%
	Total	48		4,500.00	100.00%
Repayment Schedule for our share of Rs. 450.00 Crs	To be repaid in 48 quarterly instalments as under				
	FY	No of quarters	Repayment per quarter	Total repayment for year	% of repayment
	2020-21	4	5.6250	22.50	5.00%
	2021-22	4	6.7500	27.00	6.00%
	2022-23	4	6.7500	27.00	6.00%
	2023-24	4	7.8750	31.50	7.00%
	2024-25	4	9.0000	36.00	8.00%
	2025-26	4	9.0000	36.00	8.00%
	2026-27	4	11.2500	45.00	10.00%
	2027-28	4	11.2500	45.00	10.00%
	2028-29	4	11.2500	45.00	10.00%
	2029-30	4	11.2500	45.00	10.00%
	2030-31	4	11.2500	45.00	10.00%
	2031-32	4	11.2500	45.00	10.00%
	Total	48		450.00	100.00%
Upfront Fee	0.075% of the Limit plus GST as applicable.				
Prepayment charges	Waived				
Guarantor	Unconditional and irrevocable guarantee of the Govt. of Telangana guaranteeing the repayment of principal and interest.				

Facility	Term loan – III (New)				
Limit	Rs.800.00Crs (Rupees Eight Hundred Crores Only)				
Purpose	For the purpose of part financing an amount of Rs. 8000.00 Crs as a consortium finance arrangement for Sitarama Lift Irrigation Project				
Security	First pari-passu charge by way of Hypothecation of assets created out of term loan along with other member banks in the consortium.				
Margin	36.05% on overall project cost including interest during construction.				
Rate of Interest	1 year MCLR (8.55%) +0.20%+0.50% (TP) i.e., 9.25% p.a. presently with monthly rests.				
SCOD	01.04.2021				
Repayment for Consortium Finance arrangement of Rs.8000.00Crs	To be repaid in 48 quarterly instalments as under				
	FY	No of quarters	Repayment per quarter	Total repayment for year	% of repayment
	2021-22	4	100.00	400.00	5.00%
	2022-23	4	120.00	480.00	6.00%
	2023-24	4	120.00	480.00	6.00%
	2024-25	4	140.00	560.00	7.00%

	2025-26	4	160.00	640.00	8.00%
	2026-27	4	160.00	640.00	8.00%
	2027-28	4	200.00	800.00	10.00%
	2028-29	4	200.00	800.00	10.00%
	2029-30	4	200.00	800.00	10.00%
	2030-31	4	200.00	800.00	10.00%
	2031-32	4	200.00	800.00	10.00%
	2032-33	4	200.00	800.00	10.00%
	Total	48		8,000.00	100.00%
Repayment Schedule for our share of Rs. 800.00 Crs	To be repaid in 48 quarterly instalments as under				
	FY	No of quarters	Repayment per quarter	Total repayment for year	% of repayment
	2021-22	4	10.0000	40.00	5.00%
	2022-23	4	12.0000	48.00	6.00%
	2023-24	4	12.0000	48.00	6.00%
	2024-25	4	14.0000	56.00	7.00%
	2025-26	4	16.0000	64.00	8.00%
	2026-27	4	16.0000	64.00	8.00%
	2027-28	4	20.0000	80.00	10.00%
	2028-29	4	20.0000	80.00	10.00%
	2029-30	4	20.0000	80.00	10.00%
	2030-31	4	20.0000	80.00	10.00%
	2031-32	4	20.0000	80.00	10.00%
	2032-33	4	20.0000	80.00	10.00%
	Total	48		800.00	100.00%
Upfront Fee	0.075% of the Limit plus GST as applicable.				
Prepayment charges	Waived				
Guarantor	Unconditional and irrevocable guarantee of the Govt. of Telangana guaranteeing the repayment of principal and interest.				

Other approvals:

1. Release of Rs.1000.00Crs (out of total proposed sanctioned limit of Rs.1700.00Crs) based on individual documentation.
2. Permitting timeframe of 6 months from the date of sanction, for completion of joint documentation, else penal interest @ 1% on o/s limits will be applicable till date of compliance. (As per guidelines, 1% additional interest shall be charged if the joint documentation is not executed within 3 months from the date of disbursement)
3. The following deviations for the proposed three different projects of the Company:

Particulars	As per policy	Present Project						
Bank’s internal exposure to infrastructure project	Rs.500.00Crs fixed per project	Rs.800.00 For Sitarama Lift Irrigation Project (SRLIP).						
Debt to Equity Ratio	Norm – 3:1 Band – 4:1 (For Infrastructure Projects)	For Flood Flow Canal Project 4.77:1 (Debt-Rs.4500Crs/ /Equity – Rs.942.45Crs) For other two projects debt equity ratios are within the norms.						
Standard average DSCR	1.50 to 2.00							
Borrower Margin on project	On Plant & Machinery is 25%. Land and Buildings and other fixed assets 40%. Preliminary &Pre operative expenses (Including Interest during construction) for arriving term loan	The Company requested for following uniform margin on three different projects, details are as under:						
		<table><tr><td>Flood Flow Canal Project</td><td>17.32%</td></tr><tr><td>Devadula – Tupakulagudem Project</td><td>31.86%</td></tr><tr><td>Sita Rama Lift Irrigation Project</td><td>36.05%</td></tr></table>	Flood Flow Canal Project	17.32%	Devadula – Tupakulagudem Project	31.86%	Sita Rama Lift Irrigation Project	36.05%
		Flood Flow Canal Project	17.32%					
		Devadula – Tupakulagudem Project	31.86%					
Sita Rama Lift Irrigation Project	36.05%							

	eligibility with 50% margin.	Overall margin for three TLs	30.77%		
In case of 'A+++', 'A++' rated Infrastructure Projects, the repayment period shall be 15 years including gestation period. In case of 'A+', 'A', 'B' rated infrastructure projects the repayment period shall be 12 years including gestation period.	Branch recommended for waiver of internal and external credit rating.	Repayment period for three different projects are as under:			
		Name of the Project	Implementation period	Repayment Period	Total door to door tenor
		Fillod Flow Canal Project	2 years (Envisaged DCCO 01.01.2020)	12 years (48 unequal Quarterly Installments)	14 years
		Devadula – Tupakulagudem Project			
		Sita Rama Lift Irrigation Project	3 years (Envisaged DCCO 01.01.2021)	12 years (48 unequal Quarterly Installments)	15 years

4. Approval for opening 3 separate TRA accounts for each of three sub-projects for capturing project specific disbursements as well as proportionate revenues and also approval for permitting opening of separate current account for routine operations of the Company.
5. Approval of the following Disbursement mechanism at the time of each disbursement for the proposed Consortium Term Finance of Rs. 17000.00 Crs for all the three sub-projects:
 - ✓ Corporation shall make request to the bank for disbursement of loan towards sub-projects concerned expenditure depending on the need/requirement of the respective sub-project.
 - ✓ Corporation shall submit the request to the Leader Bank of consortium after getting the necessary approvals for payment from Government for payment of the Bill amount.
 - ✓ Corporation shall submit request letter to Leader Bank with details of expenditure duly incorporating details of Project, Package, Nature of Work, Contractual Value, Amount Already spent and present amount of request for payment. Further, RTGS details of contractor/vendor to be informed.
 - ✓ Basing on the request of the corporation and after receipt of the respective margin money in accordance to D/E ratio of sub-project concerned in TRA, the lead bank shall issue separate LCN's for each of the sub-project for release of loan amount in accordance to the respective Debt/Equity ratio (i.e., FFC - 4.77:1 , Devadula-Tupakuladugem - 2.14:1, Sitaram – 1.77:1).
 - ✓ Consortium will release their share of total bill amount to the credit of TRA account and total amount will be paid to the Contractors/Vendors as per the request of the Company.
 - ✓ At the time of seeking subsequent disbursements, the corporation shall
 - (i) Submit along with the request letter, Utilization certificate for the expenditure incurred till date in the sub-projects concerned certified by CE/SE of the sub-projects concerned.
 - (ii) Ensure that overall margin as per D/E ratio of the concerned sub-project (including IDC) is maintained.
6. Acting as the Lead Bank for the proposed project debt of Rs.17000.00 Crores.
7. Waiver of the following:
 - ✓ Obtaining "In-Principle Expression of Interest" from New Business Group, before taking up the regular proposal.
 - ✓ External Credit Rating.
 - ✓ Internal and External due diligence.

- ✓ Appointing External Project Monitoring agency.
 - ✓ Prepayment charges.
 - ✓ All other charges including but not limited to documentation charges, TRA maintenance charges, annual review charges and inspection charges etc except stamp duty and out of pocket expenses which would be borne by the Corporation.
8. Request of the corporation for funding of Interest During Construction (IDC) is not considered.

Committee Directions: To ensure obtention of Government Guarantee as per FRBM in place before release of limits.

Before release of limits, the Corporation shall confirm the above direction to our bank.

Specific Terms and conditions:

1. Branch will release Term Loan only after completion of the following. The Corporation shall ensure compliance of the following before release of limits.
 - a) Security creation, perfection/mortgage of security.
 - b) Submission of irrevocable and unconditional guarantee from State Govt. of Telangana, guaranteeing payment Interest and Installments on due dates. On obtention of Govt. Guarantee, an opinion will be obtained from legal officer of bank, duly confirming enforceability of the same.
 - c) The Corporation shall submit a declaration from the concerned official of the State Govt. of Telangana duly confirming that the State Govt. is competent to issue the guarantee and the same is within FRBM limits.
 - d) The Corporation shall submit Cost approvals by competent authority of Govt., of Telangana, along with relevant G.O.s.
 - e) The Corporation shall submit Segment-wise details of the each sub-project, where the funds are going to be utilised.
2. Before release of limits, the corporation shall undertake the following:
 - a) To service the bank loans from the project revenues only.
 - b) To obtain all the statutory and non-statutory clearances required for the implementation of the project.
 - c) All necessary permissions for implementation of the project are in force and will be kept in force during the implementation of the project.
 - d) In the event of reduction in the project cost on account of any savings on account of duties/other taxes, price negotiations or otherwise there would be a prorata reduction in all components of the means of finance.
 - e) In case of any cost overrun in the project cost the same would be met by the Corporation without any recourse to the project assets.
 - f) If the IDC increases due to difference in actual draw down schedule and envisaged draw down schedule, the same shall be met by the Corporation from own sources and if the IDC decreases, the loan amount will be reduced proportionately.
 - g) If the Financial tie up is not completed as envisaged from commercial banks, balance cost of project to be met from own sources.
 - h) There are NO pending inter-state disputes affecting the water allocation and usage for the project. In case of any disputes, branch shall obtain the details and submit to sanctioning authority before release of any part of TL.
 - i) In case of any cost overrun in the project cost, the same would be met by the Corporation without any recourse to the Banks for additional loans.

- j) Term loan is not in lieu of or substitute to budgetary resources envisaged for the project as per RBI Master Circular – Loans and Advances – Statutory and other restrictions.
 - k) Water usage for the projects is and will be within the overall water allocation made to the project and there are no interstate disputes that affect the progress/implementation of the Project.
 - l) Funds will be utilized for the purpose for which the subject loan has been sanctioned and there will not be any diversion for other purposes.
3. The Corporation shall submit a certificate regarding date of completion of segment before documentation and the same shall be documented as DCCO.
 4. The Corporation shall obtain all the statutory and non-statutory clearances required for implementation of the project, including environmental clearances, approvals from Central Government agencies as and when required.
 5. The Corporation shall ensure that necessary land is acquired for smooth implementation of the project.
 6. The Corporation shall ensure that project designs are approved by the competent authority.
 7. The Corporation shall submit details of the project monitoring agency and the corporation shall submit Quarterly Physical Progress Certificate from the SE/EE/Chief Engineer concerned of the respective segments of the project funded by our consortium.
 8. The Corporation shall arrange for submission of Letter of commitment/Govt. order from the Finance Department, Govt. of Telangana for contributing required margin money as stipulated in the sanction for the respective projects as margin till the entire o/s with the Bank is cleared.
 9. The Corporation shall open a current account with our bank for their routine operations and in respect of project related disbursements and revenues the same shall be routed through the TRA account.
 10. The Corporation shall submit details of the package wise Contractors.
 11. Actual legal expenses incurred by the Lender for documentation, filing of charges, search report etc shall be borne by the Corporation.
 12. The Company shall service interest during IDC (Interest During construction) period from their margin money.
 13. The Company shall undertake that in case of any cost overrun in the project cost the same would be met by the Corporation without any recourse to the project lenders.
 14. Actual expenses incurred by the Lender for appointment of LLC, documentation, filing of charges, search report etc., shall be borne by the Company.
 15. The Company shall open and maintain ESCROW account as per Contract agreement, with our bank, as leader bank, and all project cash flows are to be routed through our account only.
 16. Before disbursement, charges to be filed with ROC. On filing of charges, the Corporation shall ensure to submit latest search report in the account and ensure that all our charges are properly registered with ROC and valid as on date.
 17. The Corporation shall submit an undertaking with regard to Un-conditionally cancellable clause as per format enclosed.
 18. Concessions/Finer margin approved are valid, if the borrower is with our Bank at least for a period of 1 year from the date of approval without shifting to other Banks, failing which, the borrower shall have to re-pay difference between the applicable ROI and finer ROI, before exit. The Corporation shall submit an undertaking to this effect.

- 19.The Corporation shall submit Aadhaar numbers, mobile numbers, PAN numbers, DIN numbers, Passport details and e-mail IDs of all the Directors and Guarantors.
- 20.Branch will follow guidelines issued as per our HO Cir. No. 208, Ref. No. 26/12, dated: 05.09.2015 w.r.t. Red Flagged Accounts.
- 21.The Corporation shall submit 20 digit unique code under Legal Entity Identifier [LEI] system as per extant RBI guidelines.
- 22.We advise the corporation to avail further business opportunities with our bank as follows:
 - a) Opening of Salary savings accounts of employees of corporation.
 - b) Availing credit cards to the eligible employees of the company.
 - c) Availing our other products like Cigna TTK health insurance, APY, IFLIC etc.
 - d) Cross selling of retail loan products as per eligibility duly following guidelines.
- 23.Lead Bank Charges for assessment of Consortium Term Loan of Rs.17000 Crores and for acting as Lead Bank for the proposed consortium shall be paid by the Corporation to our bank. The same will be communicated by way of a separate letter.

Pre-disbursement Conditions:

The limits will be released only after the terms and conditions of the sanction are accepted/acknowledged by the borrower/Guarantors.The Corporation shall submit a letter for having accepted all terms and conditions in toto.

Enabling Conditions :

1. The Corporation shall submit consent letter from the applicants and all the guarantors for disclosure of their names in the defaulters' list, CIBIL Data in the event of default on the part of the borrowers, as per RBI guidelines and as communicated by our H.O. Cir No.310/26/41 Dt.15.11.2002 / HO Cir. Lr. No. 666/4 ref. 26/2 dt.02.05.2006
2. Bank reserves its right to alter/cancel and/or modify the credit limits/loans sanctioned and/or terms and conditions stipulated without notice and without assigning any reason thereof.
3. Our Bank reserves the right to rearrange the repayment schedule and to call upon the Corporation to accelerate the payments, if the Corporation's financial position so warrants as per the opinion of the Bank.
4. The rate of interest and margins stipulated are subject to changes from time to time at the sole discretion of the Bank/as per the guidelines of Reserve Bank of India/Government of India/Indian Bankers Association etc.
5. "Any delay in repayment of the loan installments will have adverse impact on credit rating and will affect the credit history of the Borrower".
6. "Default, Fraud, Legal incompetence during the currency of the Limits, Non-Compliance of agreed terms and conditions, Non-submission of required papers for renewal of limits, Overdues in the term loans, any other Irregularities by the Borrower will enable the Bank to Recall the Loan/advance.
7. The Bank will have the right to examine at all times the Corporation`s books of accounts and to have the Corporation work-sites / units inspected from time to time by Officer(s) /representative(s) of the Bank and/or qualified Auditors and/or technical experts and/or Management Consultants of the Bank's choice. Cost of such inspections shall be borne by the corporation.
8. The Corporation will keep the Bank informed of the happening of any event likely to have substantial effect on their project or profit or business, with explanations and the remedial steps proposed to be taken.

Terms & Conditions applicable to Term Loan:

- a) Right to accelerate the instalments:-In case of the commensurating cash flows are more than the projections given by the Corporation, bank has the right to accelerate the instalments.
- b) Cost over-runs:Borrower shall undertake to meet the cost over-runs if any out of their own resources.

Constituent wise – Terms & Conditions

Terms and Conditions applicable to Private Limited companies:

1. The Corporation shall submit all the necessary resolutions required for approaching the bank for the credit facilities and also availing the same.
2. The Corporation shall pass a resolution in EGM of share holders for borrowing above its share capital and free reserves, if any, under Sec.293 (1) (d) of the Corporation's act 1956 for applying and availing the limits to be sanctioned. Corporation to submit a resolution for availing the limits and execution of the loan documents.
3. The Corporation shall file charges with Registrar of Companies within 30 days of documentation and get the same registered.
4. During the currency of bank finance, the Corporation shall not, without bank's permission in writing –
 - a) Effect any change in the Corporation's capital structure.
 - b) Formulate any scheme of amalgamation.
 - c) Implement any scheme of expansion or acquire fixed assets.
 - d) Make investments/advances or deposit amounts with any other concern.
 - e) Enter into borrowing arrangements with any bank/FI/Corporation.
 - f) Undertake guarantee obligations on behalf of any other Corporation.
 - g) Declare dividends for any year except out of profits relating to that year.
 Change in composition of Corporation's Board of Directors.

Compliance with all existing guidelines :

- a) All Other conditions as per our Banks guidelines and circulars issued from time to time are applicable.

Other terms of sanction:

1. The Corporation shall submit an undertaking stating that all the required dues like taxes, duties etc shall be paid as and when they fall due.
2. Any cost escalation of the project shall be borne by the Corporation and Corporation shall submit an undertaking to this effect.

MCLR terms and conditions:

- The MCLR will automatically get reset after 12 months from the date of first disbursement.
- The MCLR once fixed will continue to be applicable for the entire 12 month period irrespective of the review of the MCLR during the interim period.
- MCLR prevailing on the date of 1st disbursement whether partial or full shall be applicable on the floating rate loan.

Dr. SHAILENDRA KUMAR JOSHI
CHIEF SECRETARY TO GOVERNMENT &
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)
I&CAD DEPARTMENT

SECTION OFFICER